



# DRAFT MINUTES

## PUBLIC UTILITIES, ENERGY, AND TECHNOLOGY INTERIM COMMITTEE

LEGISLATURE

Wednesday, October 16, 2019 | 8:30 a.m. | 25 House Building

### Members Present:

Sen. Ronald Winterton, Chair  
Rep. Carl R. Albrecht, Chair  
Sen. David P. Hinkins  
Sen. Derek L. Kitchen  
Sen. Ralph Okerlund  
Sen. Scott D. Sandall  
Rep. Patrice M. Arent  
Rep. Walt Brooks  
Rep. Scott H. Chew  
Rep. Steve R. Christiansen

Rep. Kay J. Christofferson  
Rep. Joel Ferry  
Rep. Carol Spackman Moss  
Rep. Marie H. Poulson  
Rep. Jeffrey D. Stenquist  
Rep. Keven J. Stratton

### Staff Present:

Ms. Sarah J. Balland, Policy Analyst  
Ms. Shannon C. Halverson, Associate General Counsel  
Ms. Cherish Cosman, Administrative Assistant

Note: A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

Chair Albrecht called the meeting to order at 8:33 a.m.

## 1 . Committee Business

**MOTION:** Sen. Hinkins moved to approve the minutes of the September 18, 2019 meeting. The motion passed with a vote of 9 - 0 - 7.

### Yeas-9

Rep. C. Albrecht  
Rep. P. Arent  
Rep. W. Brooks  
Rep. S. Chew  
Rep. S. Christiansen  
Rep. K. Christofferson  
Sen. D. Hinkins  
Rep. M. Poulson  
Sen. R. Winterton

### Nays-0

### Absent-7

Rep. J. Ferry  
Sen. D. Kitchen  
Rep. C. Moss  
Sen. R. Okerlund  
Sen. S. Sandall  
Rep. J. Stenquist  
Rep. K. Stratton

## 2 . Draft Legislation: FL0304, Sales and Use Tax Modifications

### [2- 2020 General Session Draft Legislation "Sales and Use Tax Modifications" \(2020FL0304-010\)](#)

Sen. Winterton and Howard Stephenson, President of the Utah Taxpayers Association, presented background information on draft legislation "Sales and Use Tax Modifications", explained key provisions of the bill, and responded to committee questions with committee discussion following.

Rep. Logan Wilde, representing Uintah Basin counties, spoke in favor of draft legislation "Sales and Use Tax Modifications" and its economic impact for the oil and gas industry.

Rep. Christine Watkins, representing both counties within the Uintah Basin and coal-rich counties, spoke in favor of the bill and the proposed three-year phase-in sales tax exemption provision.

Dr. Ellen Brady, Women's State Legislative Council of Utah, spoke against the bill and tax relief for the carbon-based extraction industry, as well as to the issues of climate change and groundwater contamination.

Irene Hansen, Duchesne County Commissioner, spoke in favor of the bill but raised concerns regarding the impact the legislation would have on certain local communities and sectors, encouraging further discussion on that issue.

Jeff Peterson, Utah Rural Electric Cooperative Association, spoke in favor of the bill, explaining that its passage would help keep power costs low.

Rikki Hrenko-Browning, President, Utah Petroleum Association, spoke in favor of the bill and discussed the issue of competitiveness and fairness in tax treatment for the oil and gas industry and addressed previous comments.

Jeff Hartley, Lobbyist, Oil and Gas Producers, representing personal views, echoed previous favorable comments, discussed the issue of qualifying Uintah Basin for non-attainment status and "exceptional events" under Environmental Protection Agency standards, and raised the issue of dividing the severance tax.

**MOTION:** Rep. Christofferson moved to approve the draft legislation "Sales and Use Tax Modifications" as a committee bill and committee discussion followed.

Rep. Stratton moved to approve the draft legislation as a committee bill with an amendment requesting a dynamic fiscal note with committee discussion following.

Rep. Christofferson accepted the substitute motion to amend his original motion, as well as include a three-year phase-in sales tax exemption provision and committee discussion on the motion continued.

**SUBSTITUTE MOTION:** Sen. Okerlund clarified the committee discussion, restating the final substitute motion, which directed staff to work with the bill sponsor to address the three-year phase-in sales tax exemption provisions while also taking care to not economically harm local communities, work with the Legislative Fiscal Analyst's Office to produce a draft dynamic fiscal note on the bill, and return the modified draft legislation to the committee for a final vote during its November interim meeting. The substitute motion passed with a vote of 16 - 0 - 0.

Yeas-16

Nays-0

Absent-0

Rep. C. Albrecht  
Rep. P. Arent  
Rep. W. Brooks  
Rep. S. Chew  
Rep. S. Christiansen  
Rep. K. Christofferson  
Rep. J. Ferry  
Sen. D. Hinkins  
Sen. D. Kitchen  
Rep. C. Moss  
Sen. R. Okerlund  
Rep. M. Poulson  
Sen. S. Sandall  
Rep. J. Stenquist  
Rep. K. Stratton  
Sen. R. Winterton

### **3 . Draft Legislation: FL0545, Public Service Commission Hearing Amendments**

[3 - 2020 General Session Draft Legislation "Public Service Commission Hearing Amendments" \(2020FL0545-003\)](#)

Rep. Christofferson and Thad LeVar, Chair, Public Service Commission, presented background information on draft legislation "Public Service Commission Hearing Amendments", discussed shareholder feedback on the draft bill, and answered committee questions.

**MOTION:** Rep. Arent moved to pass out the draft legislation "Public Service Commission Hearing Amendments" as a committee bill with a favorable recommendation. The motion passed with a vote of 16 - 0 - 0.

Yeas-16

Nays-0

Absent-0

Rep. C. Albrecht  
Rep. P. Arent  
Rep. W. Brooks  
Rep. S. Chew  
Rep. S. Christiansen  
Rep. K. Christofferson  
Rep. J. Ferry  
Sen. D. Hinkins  
Sen. D. Kitchen  
Rep. C. Moss  
Sen. R. Okerlund  
Rep. M. Poulson  
Sen. S. Sandall  
Rep. J. Stenquist  
Rep. K. Stratton  
Sen. R. Winterton

#### **4 . Draft Legislation: FL0299, Energy Production Financing Amendments**

[4 - 2020 General Session Draft Legislation "Energy Production Financing Amendments" \(2020FL0299-004\)](#)

Sen. Jake Anderegg, and Michael Shea, Environmental Manager, Salt Lake County, presented background information and an overview of the draft legislation "Energy Production Financing Amendments" and responded to committee questions with committee discussion following.

#### **5 . Energy Producer States' Agreement Report**

Rep. Steve Handy presented background information on the Energy Producer States' Agreement Report, updated the committee on the organization's recent activities, and responded to committee questions.

Chair Albrecht announced that agenda item #6 "Public Program Funding Through Utility Rates" would be heard in the November interim meeting.

#### **6 . Utah's Hydrogen Market**

Sen. Hinkins introduced presenter Karl Rudisill.

[7 - Presentation on Hydrogen, Element One Technologies, Inc.](#)

Karl Rudisill, CEO and Founder, Element One Technologies, Inc., presented on the merits of hydrogen as an alternative energy resource, updated the committee on opportunities for the hydrogen market in Utah, encouraged the committee to form a task force to study options for hydrogen use in Utah, and answered questions from the committee. Committee discussion followed.

#### **7 . 5G Internet Technology**

[8B - POWDER Mobile and Wireless Living Laboratory, POWDER](#)

Kobus Van der Merwe, Principal Investigator and Director, Platform for Open Wireless Data-Driven Experimental Research (POWDER), University of Utah, presented an overview of the POWDER partnership, projects, recent activities, and answered committee questions.



[8C - Progress on Small Wireless Facilities Act, UDOT](#)

Rob Wight, Director of Operations, Utah Department of Transportation (UDOT), updated the committee on UDOT's progress since the passage of 2018 General Session S.B. 189 "Small Wireless Facilities Deployment Act", gave an overview of the process for small wireless projects, and responded to questions from the committee.

**8 . Other Items/Adjourn**

**MOTION:** Rep. Stenquist moved to adjourn. The motion passed with a vote of 13 - 0 - 3.

Yeas-13

Rep. C. Albrecht  
Rep. P. Arent  
Rep. W. Brooks  
Rep. S. Christiansen  
Rep. J. Ferry  
Sen. D. Hinkins  
Sen. D. Kitchen  
Rep. C. Moss  
Sen. R. Okerlund  
Rep. M. Poulson  
Rep. J. Stenquist  
Rep. K. Stratton  
Sen. R. Winterton

Nays-0

Absent-3

Rep. S. Chew  
Rep. K. Christofferson  
Sen. S. Sandall

Chair Albrecht adjourned the meeting at 10:59 a.m.